

REMARKS

The present Amendment is submitted in response to a non-final Office Action dated February 23, 2006. Claims 1-19 are pending in the application. Claims 1-9, 13, 14 and 18-19 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Ueda (U.S. Patent No. 5,004,899) in view of McLeroy (U.S. Patent No. 5,257,656). In addition, claims 1-6, 9-14 and 18-19 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Ueda in view of Elnkaveh (U.S. Patent No. 6,823,910). Further, claims 15 and 17 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Ueda in view of McLeroy, and further in view of Keller (U.S. Patent No. 5,700,037). Finally, claim 16 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Ueda in view of McLeroy and Keller, and further in view of Pentz et al. (PCT Patent App. No. WO 02/067190). Claim 1 is amended herein.

Rejection of the claims under 35 U.S.C. § 103(a)

Claims 1-9, 13-14 and 18-19 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Ueda in view of McLeroy. In addition, claims 1-6, 9-14 and 18-19 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Ueda in view of Elnkaveh. With respect to these rejections, Applicants respectfully submit that independent claim 1, as amended, distinctly defines the present invention from any of the art of record, taken alone or in combination, for the reasons that follow.

As a preliminary matter, Applicants are puzzled that the Examiner has decided to reject independent claim 1 over Ueda in view of McLeroy and further over Ueda in view of Elnkaveh when the Examiner had previously indicated the claims as being allowable over these references in the Notice of Allowance dated August 29, 2005.

Specifically, in a previous Office Action dated May 2, 2005, The Examiner indicated that an amendment to claim 1 (incorporating the element that “the second section of the foldable transaction card unfolds outside the housing when the housing is opened”) would be allowable over the

references of record (including Ueda in view of McLeroy and Ueda in view of Elnekaveh) because, the Examiner stated, “The prior art of record fails to teach that the second section of the card unfolds outside the housing when the housing is opened.” Office Action dated May 2, 2005, p. 7. Indeed, in the Notice of Allowance dated August 29, 2005, the Examiner acknowledged the allowability of the claims based on the amendments to overcome the prior art, stating, “The reasons for allowance have been discussed in the previous Office Action.” The previous Office Action was the Office Action dated May 2, 2005. This apparent flip-flop by the Examiner is arbitrary and unreasonable, and has needlessly wasted Applicants’ time and money.

Nevertheless, in the interests of moving forward with the prosecution of the present Application, Applicants have amended claim 1. Applicants respectfully submit that independent claim 1, as amended, distinctly defines the present invention from any of the art of record, taken alone or in combination, for the reasons that follow.

More specifically, independent claim 1 has been amended to define “a housing for completely surrounding the transaction card when the transaction card is in the folded state” and “wherein the housing has a width dimension smaller than a width dimension of a standard transaction card when the housing is in the folded and closed state.” These features, in addition to the remaining elements of independent claim 1, are nowhere taught or even contemplated by the art of record, taken alone or in combination.

More specifically, Ueda merely teaches a thin, semiconductor card, such as an IC card, that includes a card main body, and a semiconductor module mounted therein, and further having a foldable part or member permitting the main body to be folded. McLeroy merely teaches a wallet made of a single piece of thin material and having four adjoining portions including a central rectangular portion adjoined on opposite sides in a horizontal direction to outer wing rectangular portions and adjoined in a vertical direction to a rectangular flap portion. The two outer wing

portions form a rectangular area slightly larger on all sides than a paper money bill to be carried therein. Finally, Elnekaveh merely teaches a combined money clip, watch case, and card holder having a flat plate with a pivotal money clip on one side and card holding receptacle on the other side.

Assuming that one having ordinary skill in the art could somehow have combined Ueda and McLeroy or Ueda and Elnekaveh together, the resultant combinations lack the critical features and structural relationships positively recited in the amended claims. In addition, the cited references fail to supply the requisite motivation to combine the references together to arrive at the claimed invention.

With respect to McLeroy, there is simply no teaching in McLeroy of a housing “for completely surrounding the transaction card when the transaction card is in the folded state.” McLeroy discloses a wallet having a slit “near the top edge 19 of the wallet.” (Col. 3, line 18). As shown in McLeroy in FIG. 1 and described therein, “this causes the credit card to extend above the top edge 19.” (Col. 2, lines 23-24). In effect, the credit card juts out of the wallet when the wallet is completely folded, and there is no teaching or disclosure of completely surrounding the transaction card. McLeroy teaches away from “a housing for completely surrounding” the transaction card when it teaches that the credit card extends above the top edge 19 of the wallet.

Moreover, Applicants respectfully submit that the Examiner has improperly used “hindsight reconstruction” to deprecate the claimed invention. Specifically, the Examiner states:

The Examiner notes that as Ueda is drawn to an elastic/rubbery hinge, it is interpreted by the Examiner to be biased towards the flat position. Accordingly, the Examiner notes that placing the card of Ueda into the card slot of McLeroy up until the hinge part, and then closing the housing on the card (folding the card) would result in the second section of the card unfolding outside when the housing is open.

Office Action dated February 23, 2006, p. 3.

The Examiner has merely presented a hypothetical arrangement of a foldable card as taught by Ueda and the wallet as taught by McLeroy to combine the references. Of course, it is well-established that hindsight reconstruction of an invention is impermissible. *See In re Fine*, 837 F.2d 1071, 1075 (Fed. Cir. 1988). Moreover, there is simply no teaching or motivation to combine Ueda and McLeroy together to arrive at the claimed invention. As is also well-established in patent law, a teaching, suggestion, or incentive must exist to make the combination made by the Applicants. *See Interconnect Planning Corp. v. Feil*, 774 F.2d 1132, 1143 (Fed. Cir. 1988).

The Examiner further argues:

McLeroy teaches (FIG. 1) a wallet/card holder, with folded sides, than [sic] when closed, has a dimension smaller than a standard transaction card. The Examiner notes that when folded the width dimension of the housing is smaller than the length for example (a dimension) of a transaction card.

Office Action dated February 23, 2006, p. 3. McLeroy, however, fails to teach or disclose a housing having “a width dimension smaller than a width dimension of a standard transaction card when the housing is in the folded and closed state” as defined in amended independent claim 1. The wallet of McLeroy, therefore, is constrained to a relatively large size, since the width is as wide, if not wider, than the width of a standard transaction card. The present invention, however, allows for more compact and conveniently-sized housings to be used to hold and surround foldable transaction cards.

With respect to the rejection of the claims in view of Ueda and Elnkaveh, Elnkaveh fails to teach or even remotely disclose the elements of amended independent claim 1. There is no disclosure of a housing “for completely surrounding the transaction card when the transaction card is in the folded state.” Elnkaveh merely discloses a receptacle having “a pair of lobes 13 and 14 which are carried on opposite sides members 15 and 16 integrally formed with the opposite side of plate 11.” (Col. 3, lines 34-37). Credit cards are disposed within the lobes 13 and 14. The money clip, including the hinge, is disposed on an opposite side of the combined money clip and card holder. There is no teaching or disclosure in Elnkaveh for a housing for completely surrounding the

transaction card when the transaction card is in the folded state. Moreover, there is no disclosure of a hinge that allows the housing to fold and close, thereby completely surrounding the transaction card.

The Examiner argues:

The Examiner notes that if a folded card is placed under the clip, it is interpreted by the Examiner that the folded card would unfold outside the housing. One would have been motivated to do this in order to protect the security of the cards while in the clip (not allowing all card information to be viewed when the card is folded, for example).

Office Action dated February 23, 2006, pp. 5-6.

The hinge described in Elnekaveh is a spring-loaded latch that is used to “releasably hold and restrain folded money.” Contrary to the Examiner’s argument, there is no teaching of placing a transaction card under the clip, let alone a folded transaction card.

Again, it appears that the Examiner has merely presented a hypothetical arrangement, picking and choosing between the isolated disclosures of Ueda and Elnekaveh, to attempt to arrive at the claimed invention. The resultant combination lacks the critical features as defined in independent claim 1. Second, it appears that the Examiner relies on hindsight reconstruction to somehow arrive at the claimed invention. Of course, as noted above, it is well-established that hindsight reconstruction of an invention is impermissible. *See In re Fine*, 837 F.2d at 1675. And third, there is simply no teaching or motivation to combine Ueda and Elnekaveh to arrive at the claimed invention. As stated above, a teaching, suggestion, or incentive must exist to make the combination made by the Applicants. *See Interconnect Planning Corp.*, 774 F.2d at 1143.

Specifically, there is no disclosure of the housing having “a width dimension smaller than a width dimension of a standard transaction card when the housing is in the folded and closed state.” The money clip of Elnekaveh, therefore, is constrained to a relatively large size, since the width of the clip is as wide, if not wider, than the width of a standard transaction card. The present invention, however, allows for more compact and conveniently-sized housings to be used to hold and surround foldable transaction cards.

The amendments to independent claim 1 and arguments provided herein overcome the rejections by the Examiner. Therefore, the rejections should be withdrawn.

Claims 2-19 depend from claim 1. These claims are further believed allowable over the references of record for the same reasons set forth above with respect to their parent claim because each sets forth additional elements of Applicants' novel foldable transaction card system.

CONCLUSION

In view of the foregoing remarks, Applicants respectfully submit that all of the claims in the application are in allowable form and that the application is now in condition for allowance. If, however, any outstanding issues remain, Applicants urge the Examiner to telephone Applicants' attorney so that the same may be resolved and the application expedited to issue. Applicants request the Examiner to indicate all claims as allowable and to pass the application to issue.

Respectfully submitted,

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